



**Arizona Chamber of Commerce
2012 Legislative Forecast Luncheon**

Remarks by Gov. Jan Brewer
Friday, January 6, 2012

Thank you.

I'm delighted to be with you today -- along with our Legislative Leadership -- to share some thoughts about where we're headed in this New -- centennial -- Year.

You know, just a year ago when I spoke to you -- for the first time as your elected Governor -- you greeted me warmly, just as you've done today. But, outside the room there were still doubters.

Yes, Proposition 100 had passed and become law -- with your great and tireless help. But, the doubters wondered if we were serious about those historic cuts we were proposing. They wondered if we were serious about making government more responsive -- less intrusive -- more efficient -- and less wasteful.

Oh, we were serious, all right.

We started with the first of the my Four Cornerstones of Reform -- improving Arizona's position and Arizonans' incomes through an agenda of economic competitiveness -- education reform -- state government reform -- and a renewed fight for states' rights.

In the history of this state no other Governor has cut state government more. We made State Government smaller with a workforce that is now one of the MOST efficient in the nation. We re-scaled our state's largest entitlement program to fit the budget we have -- not the budget we want.

Our comprehensive pension reform preserves the solvency of the system -- while easing the burden on taxpayers.

I deeply appreciate the Chamber's support of the Competitiveness Package -- support that was vital to its passage. It was with that legislation, that we've made

considerable achievements in tax policy reform that will remove or mitigate many of the obstacles that had fettered job growth.

We expect a significant budget surplus – rather than deficit – both this year and next. The surplus is estimated to be between \$1.3 billion and \$1.5 billion for fiscal 2012-13 – the first time since 2008 Arizona has NOT faced a deficit.

With its work only just beginning, the Arizona Commerce Authority's public-private effort's have attracted nearly 11,000 jobs and \$9 billion in capital investment to our state. And the state's job growth from October 2010 to October 2011 ranked 7th best nationally, according to the U.S. Bureau of Labor Statistics.

Just late last month, Standard & Poor's Ratings Services revised its outlook on the state of Arizona to stable from negative. Saying – and I quote -- “The stable outlook reflects our expectation that Arizona will produce adequate positive fund balances and cash flow in the next two years, even if the temporary one-cent sales tax is allowed to expire at the end of fiscal 2013.”

Ladies and gentlemen, I think we've been able to turn the doubters into believers.

Don't you?

Yes, the Arizona comeback IS a reality.

With our state budget back in balance and economy beginning to grow once again, I will say this as clearly as I can: We will not race to return to Arizona's pre-boom spending levels.

Instead, we'll build from this new baseline – spending strategically, cautiously and with the knowledge that the best state government is one that focuses on core services and does them well.

We have a chance to focus our attention on long-needed reforms to state government. From archaic personnel regulations to antiquated software and data systems, Arizona state government is due for an update.

You and I agree on a variety of issues. You want to continue regulatory reform that will promote improved streamlining and accountability. I'm with you. You support a taxation system that is globally competitive, fair, consistent, and equitable. I'm with you.

You want to continue to improve Arizona's tort and legal system so it is viewed favorably in the marketplace. I'm with you.

You oppose regulatory overreach by federal agencies. Again, I'm with you.

Together, we support reforms that will help the state to attract and retain talented employees, provide agencies with enhanced flexibility for hiring, dismissing, and promoting employees, and improve the state's overall ability to manage its workforce.

I'm focused on the goal of a structurally balanced budget by the end of my term. With the budget adopted last year, we have a new budget baseline. There will be no "restorations."

... By the way -- I might even consider doing a fiscal note on your Business Agenda -- just to make sure you aren't overspending ...

I can tell you we will examine the needs of the state and its 120 agencies -- one by one -- keeping a focus on their core missions, re-committing to strategic planning and adjusting allocations as necessary.

We must think about how to fund the results we want, from state government, and from our schools and universities. Because, like you, I want our students to know more and to be able to compete for jobs with companies like yours and others around the world. That will require us to get serious and get busy ---and my Arizona Ready Council will be doing just that!

We're blessed to live in a growing state where Arizona families will --- and should --- turn to public schools with confidence to educate their children. Our state is a leader in allowing parents to choose a school that best meets their children's needs.

Unfortunately, our state's funding formula has yet to recognize these remarkable innovations in instructional delivery. It also leaves too much to chance when it comes to rewarding great teachers and principals who know how to bring out the best in students.

Whether it's a K-12, community college or university classroom, we can no longer afford to reward institutions for merely finding students to occupy desks for part of the day or part of the year. Instead, we must invest our resources to fund the schools and support the teachers who deliver the results we seek for our children, no matter the educational setting.

We must find a way to fund the results we want and reward those educators who lead us into our next century. That's my commitment to children for the next century -- quality teachers -- a safe environment -- a setting of parents' choosing -- data driven decisions and the highest of standards.

In closing, let me say we know we're not here in State government forever. But we're absolutely determined to make the most of every minute we have.

Meanwhile, I thank you for your partnership. It's a partnership I truly value.

The Arizona Chamber – and its membership -- is the pre-eminent statewide business policy organization in Arizona. I'm proud to stand with you – as you stand with me – on issues that will help define our second century – and Arizona's greatness.

May God bless you and your families – and our glorious 100-year-old state; and may God always bless and protect the United States of America.

Thank you.